DOI:
10.1016/j.aos.2017.09.001

Document Version
Peer reviewed version

Citation for published version (APA):
Spence, C., Zhu, J., Endo, T., & Matsubara, S. (2017). Money, honour and duty: Global professional service firms in comparative perspective. *Accounting, Organizations and Society*, *62*, 82-97. https://doi.org/10.1016/j.aos.2017.09.001

Money, Honour and Duty:
Global Professional Service Firms in Comparative Perspective

Abstract

Research on professional service firms describes these organizations as having been increasingly colonized by commercial imperatives over the last 30 years. Extant research contrasts this now dominant ‘commercial logic’ – which privileges revenue generation - with a ‘professional logic’ – which privileges public service. There are two problems with this commercialization thesis. Firstly, it focuses almost exclusively on Western European and North American empirical contexts in order to draw conclusions about ostensibly ‘global’ firms, thereby universalizing a particular. Secondly, professionalism and commercialism are conceived of in *essentialized* fashion, with meanings ascribed to each *a priori*. In the present study, we seek to move beyond these problems by drawing on a comparative empirical study of partners in professional service firms in China and Japan. The results show that firms in each context demand quite different forms of capital and dispositions from firm members. This implies that literature on global professional service firms need to take cognizance of the extent to which certain ‘rules of the game’ are applicable beyond Western countries. Conceptually, the study both outlines a framework for understanding professional service firms in comparative perspective, and proffers a theorization of professionalism as a *de-essentialized* form of symbolic capital whose meaning is culturally contingent.

Introduction

Professional service firms (PSFs) have come to be seen as important actors in the global economy over the last 30 years and are studied as an area of academic enquiry in their own right (Morris and Malhotra 2009). Additionally, studies of PSFs are increasingly used as exemplars for organizational theory building more broadly (Greenwood et al 2005; Greenwood and Suddaby 2006; Faulconbridge and Muzio 2016). It is therefore of crucial importance that these firms are understood in all their complexity. One key theme emerging in literature on PSFs in recent years is the ‘global’ or ‘transnational’ nature of their services and governance arrangements (Boussebaa et al 2012; Muzio and Faulconbridge 2013; Suddaby et al 2007). This paper is situated within this latter stream of research and contends that our current conceptual understanding of ‘global’ PSFs (GPSFs) is built upon a largely occidental empirical base.

How PSFs operate in different contexts can be explored by charting the various forms of capital that PSFs and their members accumulate in the course of professional work and careers (Spence et al 2016). This focus on different species of capital takes an explicitly Bourdieusian stance (Bourdieu and Wacquant 1992) in contrast to the conceptual framing of institutional logics, which has dominated PSF research in recent years (see, for example, Smets et al 2012). The dominant thesis in such research is that commercial logics, or in Bourdieusian terms the colonization of professional fields by the laws of the market (Bourdieu 1996), have come to dominate professional activity (Malsch and Gendron 2013).

We show that this thesis does not hold universally. Reporting the findings of a comparative study into how Big 4 PSFs operate in China and Japan, it is revealed that organizational imperatives are not always understood strictly in terms of the accumulation of economic capital. The corollary is, global PSFs cannot be said to follow global 'rules of the game'. These findings have implications for how we theorize PSFs and multinational enterprises (MNEs) more broadly. Specifically, we suggest that we need to move beyond a view of professionalism and commercialism as discrete logics and embrace a logic of discrete professionalisms and commercialisms.

The remainder of the paper is structured as follows. The following section outlines key themes from literature on PSFs, organized thematically in line with the Bourdieusian framework employed in the study. The paper's three principal research questions are also articulated in this section. The research methods employed in the study are then discussed in a following section, before proceeding to a discussion of the findings. The findings then form the basis of a concluding section which outlines the purported theoretical contributions of the study to existing research.

Theorizing 'Global' Firms

Much research into PSFs takes - either as a backdrop or indeed as its principal concern - the increasingly commercialized context within which these firms are supposed to operate. For example, Greenwood et al (2005) describe the transformation of very large accounting firms into "multidisciplinary practices" (MDPs) characterised by a proliferation of non-audit services that are delivered in cross-sold bundles. In turn, this more 'commercial' orientation is juxtaposed with that of a more 'professional' orientation, which is perceived to have been eroded and displaced as a result. The various ways in which 'commercialism' is juxtaposed with 'professionalism' in extant literature is encapsulated in table 1 below:

[Table 1 here]

As table 1 shows, the twin pillars of 'commercialism' and 'professionalism' are conceptually juxtaposed in different parlances as two: competing identities (Carnegie and Napier 2010; Gendron and Spira 2010), competing logics (Lander et al 2017; Malsch and Gendron 2013; Smets et al 2012; Suddaby et al 2009) or competing objectives (Sweeney and McGarry 2011; Wyatt 2004). As an illustration, Malsch and Gendron (2013) look at the relationship between commercial and professional 'logics' in some detail, arguing that the two co-exist in a kind of zero-sum struggle for supremacy, characterised by mutual dependence but that has, in recent decades, "resulted in the consolidation of commercial over professional logics" (881). Many commentators are vexed by this dominance of commercial over public interest concerns; indeed, some have explicitly called for a re-establishment of professionalism (Wyatt 2004).

This reification of 'commercialism' and 'professionalism' as discrete identities, logics or objectives is, in our view, problematic. It is predicated upon a somewhat unreflexive nostalgia for a golden age where 'professional' labour was somehow untainted by commercial concerns. This 'lament for the lost professional' needs to be tempered by findings from historical studies on the professions that suggest this 'golden age' probably never existed (see, for example, Spence and Brivot 2011 and Walker 2004). Indeed, the 'profession' moniker itself warrants attention as a "folk concept which has been smuggled uncritically into scientific language" (Bourdieu and Wacquant 1992 p.242).

In the interests of avoiding essentialism, we conceive in this paper of professionalism as a form of symbolic capital (Schinkel and Noordegraaf 2011). Viewing professionalism as a form of symbolic capital is quite different from the way in which much extant literature approaches professionalism, which it tends to define along various public interest lines such as 'independence and autonomy' (Suddaby et al 2009), 'quality of service provision' (Sweeney and McGarry 2011) or 'integrity, rigour and public service' (Picard et al 2014). Such definitions, while in one sense useful in that they draw attention to what a heightened focus on revenue generation occludes, in another sense are problematic in that they cling onto *essentialized* notions of what a profession is, was or perhaps should be. Symbolic capital, which is a "transubstantiated" asset or resource that confers prestige and status within a specific social space (Bourdieu 1985; Schinkel and Noordegraaf 2011, p.78), takes on different forms in different arena; it therefore follows that there can be no *a priori* definition of what professionalism is. Rather, the meaning attached to professionalism is a stake in the struggle for a dominant position in any particular social space. According to this line of argumentation, the task for social scientists lies in revealing what constitutes symbolic capital in each social space – in this case, national context - under study. This gives rise to our first, and principal, research question:

RQ1: What form does symbolic capital take in PSFs in different national contexts?

Another key feature of the commercialization thesis advanced by extant literature is that it emanates overwhelmingly from Western countries. North America and the UK loom large in the empirical background of our conceptual knowledge of PSFs. This is perhaps understandable, given the Anglo-Saxon origins of the firms in question. However, it is increasingly recognised that PSFs are 'global' in nature (Boussebaa et al 2012) and that they now occupy transnational spaces (Greenwood et al 2010; Suddaby et al 2007). Yet there has been very little consideration in PSF research of the societal dimensions that have been shown in other literatures to be important determinants in shaping organizational behaviour (Lam 2000, p.488). By not taking cognizance of how even very similar types of organization can behave very differently in different national contexts (Maurice et al, 1980), PSF research can therefore be accused of universalizing a particular. Even the limited cross-national comparative work in this area has largely restricted itself to Western contexts (see, for example, Boussebaa et al 2012; Faulconbridge and Muzio 2014, 2016; Muzio and Faulconbridge 2013; Smets et al 2012; Spence et al 2015). There is virtually no research exploring how PSFs operate in Asia. This is particularly problematic as it has been shown in business systems research that "[c]ompared with the differences between the West and Asia, the variations inside the West seem minor" (Witt and Redding 2014b, p.684). In general terms, this privileging of the West as an exemplar of what counts as 'global' reflects both a longstanding Anglo-American domination in organization journals (Murphy and Zhu 2012) and a generalized ethnocentrism in the sociology of the professions (Johnson 1973). In specific terms, methodological privileging of the 'West' implies that our conceptual understanding of GPSFs has yet to fully adapt to the putatively 'global' environments within which they are presumed to operate.

One notable exception to this elision of national and global contexts is offered by Mennicken (2008), who shows how a Russian auditing firm's insertion into the network of a global PSF did not lead to the eradication of local cultural or institutional factors, but to a persistent hybridization of global and local practices (see also Barrett 2005). This stemmed in large part from Russian auditors, regulators and managers being less than fully comfortable with an identity that they felt was being imposed upon them by the West. Mennicken's (2008) study implies that processes of international "standardisation can hardly be closed or finalised" (p.410). This conclusion is echoed in studies of professional regulation, such as that of Halliday and Carruthers (2009), who show how transnational fields exhibit significant disjunctures between standards and norms elaborated globally on the one hand, and the implementation of these at the level of the nation-state on the other. Similarly, in a study looking at accounting regulation in China, Ezzamel and Xiao (2015) show how local actors manage to "retain some measure of independence from global networks" (p.60). These various studies all suggest that differences between organizations cross-nationally should be expected, particularly when looking outside of the West.

We seek to build upon the insights of these studies and, in so doing, contribute towards redressing the ethnocentrism that characterises extant PSF research. We do so by exploring the activities of GPSFs in China and Japan. We focus on these two countries for two broad reasons. Firstly, because there has been very little research devoted to how PSFs operate in China or Japan (although see, for example, Ezzamel and Xiao 2015, Ezzamel et al 2007 and Gillis 2014, on China and Matsubara & Endo 2016, Tsunogaya 2016 and Karube & Fukukawa 2013 on Japan). As, respectively, the second and third largest economies in the world, they are national contexts that warrant attention. Secondly, because Asian business systems have been shown to be structured quite differently from those in the West in terms of, *inter alia,* the prevalence of informal norms, the role of the state in regulating economic activity, social relationships in the economic sphere and established ways of doing business more generally (Witt & Redding 2013; Whitley 2014). This implies that Asia is likely to provide sources of heterogeneity for global firms to grapple with.

The Big 4 in China and Japan respectively are viewed here as constituting two distinct 'fields' of social action, each characterised potentially by different ‘rules of the game’ (Bourdieu and Wacquant 1992). ‘Rules of the game’ essentially comprise what is considered legitimate in the eyes of the field’s actors. Such rules are often tacitly agreed upon and correspond closely to what Bourdieu refers to as *doxa*, being the taken for granted beliefs over what is right, proper and worth doing within a specific milieu (Bourdieu and Wacquant 1992, p.98). The concept of ‘field’, irrespective of theoretical persuasion, tends to denote a meso-level social order that allows for the reproduction of both actors and their social positions over time (Klutz and Fligstein 2016). However, institutional conceptions of fields tend towards a view of actors that are riven by habit and conformity, or who are the ‘cultural dopes’ of surrounding institutional arrangements (Lawrence et al 2009, p.1). In contrast, the Bourdieusian conception of field adopted in this paper emphasises power, domination and the ability of well-positioned, reflexive actors to impose their understanding of what constitutes legitimate behaviour onto others[1].

Fields, in turn, are structured according to different forms and amounts of capital (Bourdieu and Wacquant 1992), primarily economic, social, cultural and – the form of capital that crowns all others (Harvey and Maclean 2008) - symbolic. In order to understand how fields are structured and, crucially, how one field might be different from another, it is therefore imperative to identify the different values accorded to different species of capital therein. This gives rise to our second research question:

RQ2: Which forms of capital are more highly valued by PSFs in different national contexts?

Economic capital refers to money or liquid assets (Bourdieu 1986). In the context of the present study, which is concerned with cross-national differences, it is important to establish the extent to which a particular field has been colonized by the laws of the market. In other words, is the main objective of the field’s reproduction the accumulation of economic capital *à la* the commercialization thesis above,

[1] Klutz and Fligstein (2016) identify, in addition to institutional and Bourdieusian approaches, a third approach to understanding fields, that of ‘Strategic Action Fields’ as articulated by Fligstein and McAdam (2011). The Strategic Action Fields approach is particularly apt for explaining situations where fields are in constant flux or change. As we describe in this paper fields that have reached a relative level or maturity, we opt instead for the Bourdieusian approach, believing that it presents a more adequate frame for understanding relations of domination and field reproduction.

or does it follow a logic of restricted cultural production (Bourdieu 1996) in which professional accounting work is undertaken for some extra-economic reason. Accounting has, of course, always been associated with commercial activity, but accounting practices have been shown to be influenced to varying degrees by economics depending on the country under study (Zambon 1996). The successful accumulation of economic capital is underpinned by the ability to operate effectively in commercial spheres, or to wield what Bourdieu (2005) refers to as commercial capital. In PSF research, the possession of commercial capital can be seen in the "entrepreneurially minded agents" (Kornberger et al 2011, p.514) that Big 4 members need to become in order to progress up organizational hierarchies (see also Covaleski et al 1998). Commercial capital manifests itself in the cross-selling of non-audit services (Greenwood et al 2005; Cooper and Robson 2006), which in most Western countries now constitute the vast majority of their revenues. For example, it has been noted that audit as a source of revenue has stabilised at 25-30% in Western countries for the Big 4 in recent years (Loxton, 2015) and that all of the major growth strategies of firms are now once again firmly focused on non-audit services, following a brief hiatus in the wake of Andersen's demise in 2001 (see also Crump, 2015).

Extant literature on PSFs in China and Japan offers little guidance in terms of what values are placed upon the accumulation of economic and commercial capital. However, wider analyses of these business systems suggest that one might anticipate differences in these respects. Chinese ideals, for example, have always seen the private drive to accumulate wealth as not only legitimate, but in many ways inextricably linked with the preservation of social order (Witt and Redding 2014a, p.26). In the modern Chinese variety of capitalism, these twin ideals are evident in the way in which both private sector and public sector executives are rewarded with generous bonuses for achieving strong economic performance. Concomitantly, official rhetoric equates market activity with the long-run goals of the socialist State (Peck and Zhang 2013). In contrast, in Japan, the pursuit of private wealth is traditionally subordinate to the collective interests of employees or society (Redding et al 2014, p.361; Whiting 2014). Performance-based pay, for example, has failed to gain a significant foothold in Japan (Whitley 2014). Indeed, in traditional Japanese society, those at the top of the social scale, the warrior class, placed very little value on material wealth and prided themselves on their frugality (Hendry 2013, p.95).

In contrast to economic and commercial capital, social capital denotes the possession of 'a durable network of more or less institutionalized relationships of mutual acquaintance and recognition' (Bourdieu and Wacquant 1992, p.119). Social capital has been shown to be tremendously important for career advancement in PSFs in the West. For example, it has been shown that internal networking, or the accumulation of internal social capital, is a prerequisite for being seen to be a team player (Anderson-Gough et al 2006). Furthermore, given the high importance accorded to revenue generation in PSFs in Western countries (Wyatt 2004), external social capital in the form of developing and maintaining client relationships has also been shown to be of paramount importance (Carter and Spence 2014; Cooper and Robson 2006).

However, research has shown that professionals in Chinese organizations are less transactional than their Western counterparts and generally have greater incentives to co-operate with network members, implying that social capital operates differently in the Chinese context (Peck and Zhang 2013; Xiao and Tsui 2007). Furthermore, in various Asian countries it has been shown that tacit relationship norms can be very important (Witt and Redding 2013) and that professionals tend to be more successful in raising their status when they have embedded relationships, i.e. social capital, with individuals in the State apparatus (Dezalay and Garth 2010). Variations have also been observed in how social capital operates across different Asian countries. Whereas in China, social capital, or *guanxi*, refers to a prevalence of strong interpersonal ties in the absence of trust in formal institutions, in Japan trust in formal institutions remains high (Li and Redding 2014) and great reliance is placed upon collaborative forms of decision making (Whitley 2014). The collaborative process underpinning this is known as *nemawashi* and involves obtaining consensus among group members, often outside of formal decision making fora (Hendry 2013, p.211). Although China and Japan have shared histories, the way in which trust is formed in each context is quite different, with China being described as a "tray of loose sand" and Japan as a "piece of solid granite" (Li and Redding 2014, p.526, echoing the observations of Sun Yat Sen 100 years before). This metaphor captures the salience of interpersonal relationships in both contexts on the one hand, and the greater levels of trust in formalized systems and the rule of law that have been shown to be prevalent in Japan rather than China on the other (Witt and Redding (2014b). In other words, whereas in China 'strong' ties serve as a precursor to more clientelist (Xin and Pearce, 1996) business relationships, in Japan both 'strong' and 'weak' ties are important (Granovetter 2017). In summary, while we know from previous research that social capital is a very important form of capital in PSFs in the West, we would expect it also to be in China and Japan, but for its specific form to differ in each context.

Cultural capital itself takes a variety of forms and is a key aspect of how actors position themselves within fields (Bourdieu 1986). Professional and University credentials, for example, constitute *institutionalized cultural capital* (Carter and Spence 2014) although it has been shown that even in Western contexts there is variation in the value placed upon degrees from specific educational institutions, with French Big 4 firms being much more elitist than their Spanish, British or Canadian counterparts (Spence et al 2015). It is unclear to what extent educational credentials are more or less valued by Big 4 firms in Asia, although wider literature on the educational systems in Japan and China suggests that institutionalized cultural capital is highly valued in those contexts (Hendry 2013; Hsu 2007). *Embodied cultural capital* refers to the way in which individuals behave and is most closely resonant of the habitus, being the historically constituted dispositions of an actor (Bourdieu 1980). Are Asian members of global PSFs disposed to embody the same entrepreneurial and commercial dispositions that their Western counterparts have, in terms of thinking obsessively about how to please the client (Anderson-Gough et al 2000; Covaleski et al 1998), how to cross-sell services (Greenwood et al 2005) and, ultimately, bolster profit per partner metrics (Carter and Spence, 2014; Galanter and Henderson 2008)? Technical capital – in the form of specific and detailed audit or accounting expertise - has been shown to yield negative returns for those who invest in it beyond a certain level in PSFs in Western countries (Spence et al. 2015), but Japan has been described as a "technomeritocratic system" (Hendry, 2013, p.83), implying again that capital values might vary across borders. Table 2 summarises the different forms of capital that have been identified from existing literature on Western countries as being valuable to those pursuing careers in GPSFs.

[Table 2 about here]

Beyond paying attention to the values accorded in the Chinese and Japanese PSF fields to different forms of capital, field analysis also requires that attention be paid to the institutional conditions that give rise to those values. Agents in any field possess a habitus, or suite of dispositions that are profoundly influenced by both history and context (Bourdieu 1979). Therefore, in order to more fully understand why actors in the fields under study here behave in the ways that the field demands of them, it will be of value to consider the way in which the fields themselves have been formed and developed over time. While China has undergone a remarkable economic transformation over the last 30 years, possibly the most dramatic in history (Peck and Zhang, 2013), it has been observed that institutional change in Japan over the same period has been the least pronounced of all business systems in East Asia, and that even those changes that have taken place "may be more formal than realized in practice" (Whitley, 2014, p.647). Taking cognizance of these differing historical backdrops permits consideration of how Big 4 fields might develop differentially in conditions of, respectively, change and continuity. Such cognizance is particularly important given the concerns raised above about extant literature's universalization of what is potentially a culturally specific particular. Our third research question, which will complement and permit greater understanding of the answers provided to research questions 1 and 2, is therefore expressed as follows:

> *RQ3: What are the historical and contextual factors that explain why certain forms of capital are more highly valued than others in the Chinese and Japanese PSF fields?*

Answering this question will permit greater emphasis to be placed upon the reasons underlying the results.

Methods: Sample, Data Collection, Analysis

Sample and Research Setting

As the present research is driven by concerns that our conceptual knowledge of GPSFs is culturally specific, the two Asian countries included in the study were chosen on the basis of their corresponding to quite different historical legacies, stages of industrial development and integration into world markets. Japan is an OECD country, the world's third largest economy and associated with a collectivist orientation and a more stakeholder model of capitalism than is generally considered to be the case in 'the West' (Endo et al. 2015; Yoshikawa et al. 2007; Whiting 2014). China is a non-OECD country but is rapidly industrialising, the world's second largest economy and governed by a single political entity which has sought to: maintain the vestiges of a communist regime while embracing market forces and engaging global capital by encouraging inward and outward foreign direct investment (Zhang and Peck 2016; Breznitz and Murphree 2014).

We conducted 65 interviews across the two countries between 2014 and 2016: 31 in China and (C1-C31) 34 in Japan (J1-J34). The majority of participants worked for Big 4 PSFs, although the sample also includes 5 interviews with non-Big 4 firms, one academic and one client of a Big 4 firm. Our sampling privileged more senior members of firms such as Partners and Directors. Such individuals were targeted on the assumption that they would be those who were most heavily invested in their surrounding fields and, by extension, those who had most successfully accumulated and converted the forms of capital that are most highly valued by their surrounding fields. 'Partner' itself is a symbolic category, denoting those who possess symbolic capital. These individuals are therefore better placed to help us explore our central research questions. The breakdown of interviewees by country and position are included in table 3.

[table 3 about here]

Data Collection

A team-based approach to data collection was followed in order to harness a diverse set of culturally specific expertise that could, ultimately, lead to more comprehensive understanding (Barley 1996; Jarzabkowski et al. 2015). As such, natives of each country under study formed part of the research team along with the lead author who played the role of 'conduit' (Jarzabkowski et al. 2015, p.18) between different branches of the project. Interviewee participants in Japan were recruited initially via personal contacts, with more individuals being enrolled in the study via purposive snowballing techniques. The majority of interviews were undertaken in Japanese by a native speaker. 10

interviews in Japan involved an Anglophone member of the research team: 3 of these were undertaken in English with occasional recourse to simultaneous translation; 7 were undertaken with heavy recourse to simultaneous translation. The Chinese interviews started in London in early 2015 with PSF members who had previously spent significant time in China, before snowballing and other personal contacts led to additional individuals being enrolled in the study during three field visits to China later in 2015. The Chinese interviews were undertaken overwhelmingly with ethnic Chinese participants and were carried out in English where an Anglophone member of the research team was present. Where a Chinese member of the research team solely carried out the interview, the interview was carried out in Chinese.

The interviews were semi-structured and explicitly designed to identify the different forms of capital and habitus that were salient in each context. To that end, questions were asked specifically about interviewees' family background, education and professional credentials (institutionalised cultural capital), intra, extra and inter-organisational relationships (social capital), remuneration and firm revenue information (economic capital). Interviewees were asked to outline their career histories and explain in detail the processes whereby they were promoted into senior positions. This invariably involved discussion about performance measurement and formal and informal partnership admission processes. GPSFs have global templates and procedures for these processes, but previous studies have shown that the formal promotion procedures within firms are often followed only in a symbolic fashion. Therefore, particular attention was paid to probing how these processes were actually implemented in practice (Spence et al. 2015). This permitted more focused discussion on what distinctions might plausibly exist between a hypothetical individual who had partner potential and a hypothetical individual who was not perceived to have partner potential. Discussion in this regard successfully drew out some of the more behavioural and dispositional elements of professional behaviour that constitute embodied cultural capital (Bourdieu 1986).

There are arguably challenges in relying upon actors' representations of their own career success rather than observing the practices that they undertake first-hand – the logic of representation versus the logic of practice (Czarniawska 2001) – although to some extent these can be overcome by theoretical sensitivity to such issues from the outset which promotes an interrogation of the representations as they are articulated by organizational participants. Conversely, it could be argued that practitioner representations are part of practice, a key component of their own sense-making and that there is, therefore, not such a sharp distinction between representation and reality after all. To the extent that such problems do exist, comparative work can mitigate these to a significant extent by way of the contrasts that can be drawn between representations from different contexts, each throwing the other into relief.

Data Analysis

All interviews were recorded and subsequently transcribed into their original language with the exception of two individuals in China who preferred not to be recorded. Translation of transcripts into English was undertaken for a selection of those that were conducted in Chinese or Japanese in order to establish coding templates. Not all transcripts were translated into English out of a concern that linguistic and cultural nuances be lost in the process. Summaries of each interview were provided immediately following the interview. These summaries were discussed during regular skype or face to face meetings with members of the research team, during which accounts and themes emerging across interviews were explored (Miles and Huberman, 1994). Formal coding of the transcripts was undertaken of transcripts with a view to identifying which forms of capital were perceived as necessary to accumulate for career advancement in each specific context.

During coding, sensitivity to any potential local specificities in forms of capital was facilitated by reference to wider literature on Asian business systems and varieties of capitalism. For example, as regards social capital, attention was paid to how interviewees went about cultivating the types of relationship that they cited as important for career advancement, bearing in mind that studies on both China and Japan have shown the importance of strong interpersonal ties (Li and Redding, 2014; Whitley, 2014). Likewise, coding for economic and commercial capital involved consideration of whether interviewees emphasised entrepreneurial flair in their work activities or, alternatively, a more sober adherence to the interests of the organizational collective. Previous research suggests that the former might prevail in China (Peck and Zhang, 2013), while the latter might prevail in Japan (Hendry, 2013). However, it has been shown in previous PSF research, in some instances, that the power of global firms is such that they are able to transcend the cultural particularities of local contexts (Spence et al, 2015). In this respect, any potential tension or disjuncture between the local 'variety of capitalism' (Hall and Soskice, 2001) and the strategic imperatives of 'global' firms, was also paid attention to.

Throughout the coding and analysis process, Bourdieu was used as a theorist who was 'good to think with' (Lamont 2012, p.228), rather than one who provided ready-made interpretations of the data. Indeed, Bourdieu has been criticised for, not just Western-centrism, but an even more narrow franco-centrism, which manifests itself in an exaggeration of the importance of cultural capital and an underestimation of the importance of moral criteria when considering the composition of high status social groups (Lamont 1992). Following Lamont (1992, 2012), it was therefore perceived as important to potentially go beyond the forms of capital that are consistently outlined in Bourdieu's oeuvre and pay attention to any unique insights that might emerge from the data, particularly the evocation of moral arguments.

The coding was co-ordinated by the principal author on the English version of the transcript and carried out in conjunction with the team member carrying out the interview. The team member would make regular recourse to original language versions of the transcript in order to verify themes and check for inconsistencies. This combined coding methodology was productive because it encouraged ongoing conversations about the cultural nuances evident in the transcripts between the principal author (an Anglophone Westerner) and other members of the research team who were natives of the various countries being studied. Secondary coding of the transcripts was undertaken in order to establish processes of capital conversion and to further refine existing categories and emerging themes. Throughout this process, regular discussions took place between various members of the research team. The conduit (Jarzabkowski et al. 2015), or boundary spanning role of the lead author here was very important in ensuring that a shared understanding developed among different members of the research team.

In addition to interviews, documentary analysis was undertaken via the websites of professional associations, the firms themselves, trade and financial press, a review of relevant academic literature on the development of the accounting profession generally, and the Big 4 specifically, and also wider literature on the economic development of each country. This wider reading supplemented interviews by helping to chart the parameters and historical emergence of the Big 4 field and providing important context for making sense of the emerging conceptual story.

Field formation and development

The Big 4 first gained a foothold in Japan in the late 1980s/early 1990s. This was curiously late for an OECD country. The various Big 4 firms merged with local firms following what was a period of mergers and acquisitions in the Japanese audit market going back to the early 1980s. The ethnic make-up of the Big 4 then, as now, was overwhelmingly Japanese and the introduction of the Big 4 into Japan did little to alter established field dynamics (Karube and Fukukawa 2013). Essentially, the Big 4 entered into what was already a mature market and revenue growth has been steady since that time before plateauing in 2008 following the global financial crisis (see table 4).

[table 4 about here]

In the 1990s, the Japanese economy suffered from bad debts, which were partly caused by overly generous screening of mortgage applications during the land price bubble of the 1980s (Fukao 2003). Although the economy had been associated with a ‘convoy system’ - illustrating the role that the State played in applying strict regulation to business - the Japanese government launched financial reforms that putatively heralded a less boilerplate, but more focused, approach to business regulation. These reforms, inter alia, problematized the role of auditors, who the State had hitherto expected to contribute to the ‘convoy system’ via the generous auditing of Japanese businesses (Hoshi 2002; Matsubara & Endo forthcoming). In order to enhance the auditing function, several amendments were made to the Certified Public Accountants Act. These included the nomination of ‘designated partners’, introduced in 2003, who assume unlimited responsibility to auditees and third parties, while non-designated partners were only responsible for third parties.[2]

PwC Arata significantly differs from other the Big 3 in terms of its size and orientation. At the time of writing, the largest three firms employed approximately 4,000 CPAs, while PwC Arata employed approximately 2,000. Although PwC Arata’s legal status as an ‘unlimited partnership’ did

[2] This was further amended in 2008 and non-designated partners’ responsibilities in relation to third party were limited to the amount of contribution.

not oblige them to produce financial statements, there was a general perception that the Big 3's revenues are far larger than those of PwC Arata. In addition to size differences, PwC Arata's strategic orientation also significantly differs from that of the other Big 3 (see below). This is partly because PwC played a leading part in the establishment and operation of PwC Arata, whereas the other Big 3 maintained much more 'equal' partnerships with their Japanese acquisitions. Summarily, informants from PwC Arata told a different story about promotion criteria and a higher focus on non-audit services, which was broadly similar to Western and Chinese Big 4 firms[3].

The history of the Big 4 in China is, perhaps surprisingly, no shorter than it is in Japan. The Big 4 first opened offices in Shanghai and Beijing in the early 1990s. At that time, they were not full 'members' of the global firms but fledgling 'representative offices'. Some of the initial staff of those offices now find themselves in very senior positions today[4]. In China at that time, there was no established audit market or accounting profession to speak of (Gillis 2014); audits were undertaken by the Ministry of Finance who, over time, have played a stronger role in regulating accounting firms (Deng and MacVe 2015; Hao 1999; Yee 2012). In the early 1990s, the then Big 6 entered into a series of joint ventures with nascent local firms. The early offices that were established were very small and have been built up organically since. During this initial phase, Big 4 offices were run primarily by Hong Kongese partners who, we were told, "were not interested in building up the business in the long term and so were gradually displaced by partners from Britain or the US" (C28).

It is only recently that mainland Chinese constitute a majority of Big 4 partners in China. An Act, known as the 'Notice on Issuing the Scheme on the localized restructuring of Sino-Foreign cooperative accounting firms', was issued by the government to this effect in 2012, when the joint

---

[3]A *longue durée* perspective here might trace modern accounting practice in Japan back to the drafting of the commercial code in 1890. Since that legislation was drafted by a German scholar, Herman Roesler based on the German system, pre-war accounting practice was heavily influenced German traditions, which may be best characterised by an emphasis on technical accounting. However, after the second world war, the US-led Supreme Commander for the Allied Powers significantly reformed the economic structures of the country. This restructuring included the dismantling of Zaibatsu corporate groups and the introduction of new disclosure practices. It would be interesting to historically trace how German 'antecedents' interacted with American colonial influences in the formation of the Japanese accounting field, although such an endeavour is beyond the scope of this article (see McKinnon 1994 for some discussion of this). For the purposes of this article, it is interesting to note how indigenous cultures persist in spite of historical colonial and global influences.

[4] For example, we interviewed one senior partner in Shanghai who proudly presented to us his staff card with #2 emblazoned upon it, indicating that he was only the 2nd employee ever to work for his firm in the whole country. This individual was in his mid 40s at the time of the interview.

ventures of KPMG, Deloitte and Ernst & Young expired. According to the Act, the Big 4 was required to restructure into limited liability partnerships upon the expiration of their respective joint venture licenses. Moreover, the firms could have up to 40% of foreign qualified partners when the partnership was initially formed. This 40% ceiling needed to be lowered to 35%, 25%, and 20% by the end of 2012, 2016, and 2017, respectively. Furthermore, each of the Big 4's respective chief partners is now required to be both a Chinese national and a Chinese-qualified accountant. This requirement instructs the Big 4 accounting firms to hand over control of their Chinese operations to local partners gradually.

In terms of regulation, the Big 4 entered into a regulatory *terra nullis* in China whereby they were, to a large extent, free to operate as they saw fit. In fact, given the immaturity of the accounting profession at that time, the Chinese State relied heavily on the Big 4 to promote a rapid expansion of accounting services, permitting the Big 4 to play active roles in drafting and implementing accounting regulations in China. This effectively facilitated the 'westernization' of the Chinese accounting profession (Gillis 2014). It was explained to us by more than one interviewee that a certain degree of freedom was given to the Big 4 from the outset because they were seen as indispensable to attracting foreign investment:

> You see all the Big Four sort of like entered China like in early 90s, 1990. Like PwC was 1993 and at the time a lot of companies at that time is going why the Big Four is here is because a lot of Chinese companies is doing financing, they want foreign money. They need to get Big Four in otherwise no foreign investor will trust, will want to put money in so at that time we did a lot of work on those Chinese companies raising money from the overseas markets. (C17)

Since this time, the Big 4 have grown exponentially, enjoying annual revenue growth routinely in the region of 30-40% on average, before falling down to more modest levels following the global financial crisis of 2008 (see table 5). The corresponding growth in CPA holders in the Big 4 similarly reflects this boom in the market for accounting services in China, going from 865 in 2002 to 3,412 in 2014.

[table 5 about here]

In summary, the experiences of the Big 4 were quite different in each country. In Japan, the firms entered a well-established field whose rules were firmly embedded. In China, the firms entered an environment where the market for accounting services was very immature and there was no auditing profession to speak of, thereby leaving the Big 4, to a significant extent, to construct their own field as they saw fit. In Bourdieusian terms, the Japanese Big 4 entered into a pre-established field in which the 'rules of the game' reflected historically constituted practices; in China, the Big 4 were pivotal in establishing a field *per se* and, from the outset, looked West for guidance on which practices to implement and how (Gillis 2014).

Capital values in comparison

Japan: Honour, worth and duty

It was clear from analysis of our interviews that the primary motivation of Japanese partners was to achieve a particular level within their organization, a level from which they would be perceived as performing an essentially honourable role. In this respect, key signifiers from the Japanese interviews were *'ongaeshi'* (repayment or returning a kindness), *'giri'* (obligations or duty) and *'hokori'* (pride). In summary terms, this coveting of symbolic rather than material rewards, was evident from two major themes that emerged from the data analysis: the eschewing of economic capital and the desire to leave a legacy behind them once partners retire.

The earnings of Japanese partners are very modest compared to Big 4 partners in other OECD countries[5], something that some of our interviewees were aware of but did not necessarily lament. Indeed, in some cases they were critical of how much money partners made in other countries, particularly the US, emphasising the need to have team players rather than superstars:

> Individual performance is important. But, if you are doing auditing, you cannot really identify an individual's contribution. I mean superstars in auditing? Who will they be? In my opinion, an auditing superstar is somebody who can negotiate quite well with a client that does not want to disclose information properly (J7)

[5] Official figures are not available for this, but according to our interviews partner earnings ranged from $135k to $360k. Compared with starting salaries for associates of approximately $65k or the salaries of senior managers at approximately $105k, the gaps between those at the top of the pyramid and those at the bottom and middle are much smaller than they are in Western countries.

The majority of a Japanese partner's earnings is made up of a fixed salary component. Bonuses are paid, but we were told by a number of interviewees that these are overwhelmingly calculated on the basis of 'firm' rather than 'individual' performance. Such an approach to profit distribution is a far cry from the 'eat what you kill' systems generally followed in Western countries where Profit-Per-Partner is an omnipresent signifier (Spence et al. 2015). Indeed, 'Profit-Per-Partner' was not a salient signifier in the Japanese interviews, with the majority of interviewees not mentioning it at all, never mind as the raison d'être of their firm. Indeed, it has been pointed out that Japanese organisations in general tend to eschew a performance culture in favour of the reproduction of elaborate, ritualised routines – results are less important than conforming to the set way of doing things (Whiting 2014 p.689).

More generally, compensation norms in Japan are such that senior executives in the corporate world are paid much less than they are in many other advanced economies and it is considered inappropriate to have wide salary differentials between organizational members. This is perceived to reflect not only cultural norms, but attitudes towards risk and professional behaviour as well, as the following partner illustrates when comparing Japan with the US:

> I came to learn that there is a big increase from a senior manager to a partner, like doubling the pay in the US. But in Japan, the increase is modest, say 20% more only. I think the US partners are riskier though. So, I think in the US, high risk, high return; in Japan, low risk moderate return. (J14)

The reference to 'risk' here is an essentially moral judgement on the character of US auditors, who are perceived to be motivated primarily by individual financial concerns. This contrasts with what Japanese partners state their motivations to be. For example, the following partner draws a contrast between Japan and Germany in order to express clearly what motivates partners in Japan:

> Let's make it very simple. In Germany, the number one priority is profit sharing. But Japan, the number one priority is the survival of the firm. (J31)

The two quotes above indicate a perception that Western Big 4 partners pursue individualist strategies to accumulate economic capital whereas Japanese partners pursue collectivist strategies to ensure the overall health of the organization. This difference in overarching objectives equally manifests itself in differing feelings of ownership that prevail in each context. In Western countries, it is a common refrain in Big 4 firms to refer to the organization as owned and run on behalf of its partners. In Japan, although legally the partners own the organization, they consistently pointed out that they felt more as if they belonged to the organization rather than the organization belonged to them:

> Partners make an investment, but the firm does not belong to us. It is more like the firm is for everybody in the firm. Partners just happen to be making the investment. (J12)

In short, Japanese partners do not seem themselves as entrepreneurial deal makers, as their Western counterparts tend to. Rather, they self-identify as 'salarymen', a cultural archetype that evokes loyalty, constancy and duty to a wider cause than oneself (Dasgupta 2000). Our Japanese partners were therefore not, it seemed, motivated overly by pecuniary concerns, instead routinely emphasising their desire to leave a legacy in terms of cultivating the next generation of partners coming through:

> There is certainly a generation gap between me as a partner and youngest staff, like 20 years or so. So, I do understand their notion of some things are very different from mine. But, I do understand they try their best. And I would like to support them until they fully blossom. (J26)

> I do auditing and there are still many things that I struggle with…in the future I would ultimately like to do them by myself and then to teach my subordinates. I was raised in the firm and I do have a vision to improve. I really want to train my subordinates in a better way than I was raised (J24)

Thus, symbolic capital in this sense needs to be understood in a specifically organizational context, where the individuals concerned are to be remembered for having shaped the organization in their own image, putting in place processes that allow this image to endure even after they are gone. In this sense, *ongaeshi* means giving back to the organization that has taken care of you. The *ongaeshi* observed in the Big 4 in Japan reflects a more generalized high level of commitment to one's employer that sets Japanese employees apart from, not only their Western counterparts, but employees in many other Asian countries as well (Whitley 2014). In Japan, organizations supplant the role of the family for many employees, to the extent that "a company superior could expect total loyalty from his subordinates, and the individual's real family should come second" (Hendry, 2013, p.38). What is of interest is to understand what forms of capital underpin this obliging, duty driven habitus.

Japan: the 'rules of the game'

This coveting of honour is also evident from analysing more comprehensively the various forms of capital that are perceived as legitimate in the Japanese Big 4 field or, otherwise put, in exploring how different species of capital are accumulated in order to ultimately be converted into the perception of an honourable and worthy individual. The importance of institutionalized cultural capital is important in the form of university and professional credentials. Unlike in many other countries, the Japanese Big 4 recruit those who have already passed the CPA exam. For this purpose, those willing to work for the Big 4 have to attend 'cram school' while they study at university. Since the 'art of cramming' matters in entering elite Japanese universities, those who pass the CPA exam tend to be from those elite universities. This approach to the training of personnel is reflective of a tight coupling between the educational system and the perceived needs of the economy in Japan, unlike in some Western countries like France or the UK where general rather than vocational skills have historically been emphasised in educational institutions (Lane 1989). This system also affords the Japanese State the opportunity to control the supply of CPAs into the accounting labour force, which they have done periodically by altering the difficulty of the final qualification exam in response to overarching policy concerns[6].

The most readily convertible form of capital - in terms of conversion into symbolic capital - is internal social capital. We were told time and again that in order to make it to partner in the Japanese Big 4, a candidate needed to have the strong support of most likely one key senior partner within the firm. This is reflective of hierarchical structures in Japanese companies, where very close *oyabun/kobun* (parent-part/child-part) relationships develop (Hendry 2013, p.105). This reliance on one key individual can make the whole partner promotion process rather opaque:

[6] In the early 2000s, the State aimed to increase the number of 'professionals' by establishing new graduate schools in the existing university system. To this end, accounting schools, known as *Kaikei Senmonshoku Daigakuin*, were started. Attendance at these schools afforded attendees exemptions from certain elements of the CPA exam. Furthermore, the State made the CPA exam far less difficult in the mid 2000s, which was intended to increase the number of CPAs by qualifying those graduating from accounting schools. However, many of those who passed the exam during this 'easy' period struggled to find employment in accounting firms. The JICPA, representing interests of CPAs in Japan, lobbied the State to reduce the 'excessive supply' of CPAs and, consequently, the exam became more difficult again since the 2010s. This is reflected in Figure 1, which shows the pass rate of the CPA exam over the last 20 years.

> You know, when you get promoted to a partner, you never know what exactly enabled you to be a partner. Nobody, really, nobody would tell you the exact reason. Of course, the criteria are set, but in a way, they are very ambiguous. Partners make new partners, right? And they strongly believe, in their judgement, their candidates are qualified as new partners. So, in a sense, it is quite important who your promoter is.

This patronage is common practice in Japan, where "status comes eventually to those who serve long and well" (Hendry 2013, p.111). Patronage has also been shown to be important in the Big 4 in Western contexts although this tends to be coupled with commercially oriented performance imperatives (Covaleski et al. 1998). In Japan, being patronised by a senior partner in Japan generally depends on a number of other forms of capital or dispositions. One set of behaviours in this respect refers simply to hard work and time served. Working hours in Japan are gruelling in the Big 4 context, with interviewees routinely describing having to work from 7am to 11pm, often on weekends as well. Although long working hours have been recognised as being a feature of PSF environments in Western contexts as well (Lupu and Empson 2015), Japan does appear to represent an extreme case of this.

> You can say we are a black *kigyo* [black firm – a cliché used to refer to firms that exploit employees to extreme levels]…We want to shorten working hours. We have come up with various ideas, for example, we set a 'no overtime' day, but nobody actually follows it (J1)

In a culture where working long hours is one way of demonstrating organizational commitment, precluding overtime can actually be a cause of stress for employees who feel that they are deprived of opportunities to show how dedicated they are to the firm. This had led, we were told, to many instances of employees working overtime anyway, but not charging their time to the firm. This situation benefits the employee in another way by allowing them to complete their assignments in (officially) much less time than it actually took them. In this context, one can see that time is a social construction (Clark 1985; Das 1993); aspirant employees have to more or less skilfully manage impressions of how they spend their time so that they able to demonstrate the *ongaeshi* and *giri* that are so essential to career progression in the Japanese Big 4.

Ongaeshi and *giri* have deep historical roots in the Japanese psyche (Noda 1976) and evoke more readily a form of moral resource rather than what Bourdieu would recognise as a sub-species of capital as such. Alternatively, enduring the hard work and working hours that characterise life in a

Japanese Big 4 firm, as well as sustaining this commitment over a long period of time, have very strong temporal dimensions and could thus be conceived of as a chronologically-based form of capital that sits outside of the usual cultural-social-economic triad of capitals that are readily deployed in field analysis.

That time and age were distinguishing features of candidates for promotion stand out as distinct from what is known about partner promotions in other countries and were understood as important to respect in the Japanese context. Otherwise, a much-coveted organizational harmony would be disrupted. The following exchange taken from one interview illustrates this:

> "It is very very important. You cannot really destroy the seniority pyramid.
>
> -So, if there is an extremely good performer, do you think he/she could get promoted much faster than his/her seniors?
>
> "No. It will do damage to harmony in the firm. We need to make sure that douki competition (competition among those who joined the firm at the same time) is ok, but it cannot be across different years of entry." (J1)

Internal social capital, bestowed primarily by a strong patron in the form of a senior partner, is also dependent upon the accumulation of external social capital. As service organizations, working with clients is, for most people working in senior positions in the firm, a key aspect of what they do. In this respect, skilfully maintaining good client relationships is something that partners are expected to be capable of doing, although the expectations at PwC Arata were often somewhat more akin to those in the West:

> In Japan in general, if you have experience of *maintaining* a relationship with a big client, then that would definitely benefit your promotion prospects. However, as we are a bit different from the other Big 3, we sometimes see *winning* new clients for auditing as something that is worthy of reward. (J2, *emphasis original*)

'Maintenance' of relationships is the key word here, as 'winning' new clients is rarely possible in the Japanese accounting field. In most countries, regulation stipulates that companies mandatorily rotate their auditors every few years. In Japan, this mandatory rotation takes the idiosyncratic form of rotating an 'audit team' within a firm rather than an audit firm *per se*. As such, Japanese companies tend to have decades-long relationships with audit firms. In this respect, managing client relationships does not denote, as it might in other countries, convincing clients to commit to more services, but the delivery of a competent and rigorously managed brief. This is evident in the relatively low percentage of revenue coming from non-audit fees, which have never exceeded 20% for the Big 3 firms in Japan. These figures are captured in figure 2. This denotes a privileging of technical expertise over business development skills. Seeking to exercise commercial capital when they really should be doing technically rigorous audits is "considered something shameful" (J19). Shame is an important mechanism of self-discipline in Japan (Whiting 2014).

Figure 2 about here

In summary, Japanese partners embody an honorific habitus that is closely related to notions of *ongaeshi* (repayment) *giri* (duty) and a collective sense of belonging to an enterprise bigger than oneself. This suggests, at first glance, that symbolic capital in the Japanese context is more closely related to moral criteria that eschews economic motivations than it is to do with any specific form of capital. However, it can equally be seen that the honorific habitus is underpinned by a variety of different forms of capital – institutionalized, embodied in the form of technical capital and various forms of social capital - each of which is convertible in the overall process of being seen as a worthy and honourable individual. This sequence of capital conversion, and the ultimate privileging of moral worth, is not replicated in the Chinese context.

China – Money talks

The most highly valued form of capital in the context of Chinese PSFs emerged very saliently from interviews as economic capital. The key signifiers littered throughout the discourse of Chinese interviewees related to 'revenue generation', 'growing the business', 'profit per partner' and 'fee income'. For many interviewees, bringing in revenue was a self-evident raison d'être for partners:

> Obviously, you've got a pie here and every partner has a share of it. If the new partner does not bring in new clients and make the pie bigger, the other partners would have to give their shares to you. So what is your value? Of course, the other partners would not want you to be promoted…you can be directors if you don't want to devote yourself to marketing but have other skills, say technical skills, project management skills… But for partners who have shares, revenue is absolutely the key. (C9)

The above quote is particularly noteworthy for the emphasis placed upon 'partners who have shares'. This denotes a shared belief that partners are the owners and principal beneficiaries of the firm, rather than employees of it. This belief stands in sharp contrast to the 'salaryman' mentality observed in Japan, placing Chinese partners much closer to their counterparts in the West vis-à-vis the valorization of economic capital. That economic capital is accorded so high a value in China is also evident, both from the way in which performance is measured, and from the main criteria for promotion to senior positions within firms there. Interviewees described the process of promotion as 'transparent' and 'straightforward', predominantly focusing on the 'numbers'. Take the following quote from an interviewee:

> For [the promotion of] partners, it is all about how much revenue you can bring to the firm in the future; how many employees you can pay for in your team; what's your sales number in the past and what resource you have to grow in the future… (C10)

That accumulating economic capital was more important to career progression in China than Japan can be explained in part by the fact that there is more of it available to 'high performing' individuals. Profit per partner figures in China are comparable to North American partner earnings and are among the highest in the world, dwarfing the average earnings of their counterparts in Japan. Additionally, there are real differences in terms of internal wealth distribution. China has very high 'leverage', or partner to staff ratios – in the region of 1:20[7]. In order to maintain Western levels of partner earnings, those at the bottom of the pyramid are paid much less, in the region of $15k to $18k per year, which is derisory by both Western and Japanese standards. This differential between the lowest paid workers and the highest paid workers would be considered socially unacceptable in Japan where the GINI co-efficient is 32.1, but that is not the case in China where the GINI co-efficient is 42.1.[8] The great emphasis on individual performance reflects an increased individualism and more pervasive culture of meritocracy in Chinese society and organizations. These are associated with increasing 'Western' (Warner and Goodall 2009) and 'global' (Knight, 2006) influences on Chinese business practices. As scholars have pointed out, the economic reform in China and the promotion of modern – typically

[7] High partner:staff ratios can in part be explained by the nature of financial year ends in China all falling on December 31st, leading to the need to employ a lot of people for the busy months of January-February, although there is then a lot of 'idle time' outside of this time period for junior employees.

[8] http://data.worldbank.org/indicator/SI.POV.GINI?page=1, last accessed 16th December, 2015.

Western – management methods often undermine traditional Chinese cultural values, which are premised on respect for age and hierarchy, harmony and group orientations (Lockett, 1988; Whyte, 2009).

Interviewees from different firms indicated similar numbers in terms of expected annual revenue targets: $300-450k for senior managers and $1.2m to $1.5m for first-year partners. Several interviewees stressed that meeting these targets required not only 'maintaining existing clients' but more importantly, required developing new clients on a continuous basis. This was, in part, because of the need for senior managers and partners to transfer some of their business to their subordinates:

> So for senior one the panel will force the senior manager or experienced managers to transfer some of your routine services to your managers… every partner will [show] more and more self-initiative because each year, you know, you cannot guarantee a bottom line of revenue… you're always looking for a new win so that's the kind of the pressure we put on ourselves to go to the market. (C14)

Chinese participants spoke more brazenly about 'making deals' and 'winning work' in a way that is more resonant of how these firms have been shown to operate in Western economies (Cooper and Robson 2006). Indeed, although Big 4 firms in China still derive the majority of their revenue from audit – on average 65% from audit, 15% from Tax and 20% from advisory we were told by interviewees from different firms – the future growth potential is seen to be in advisory services, a service line that Japanese firms (with the exception of Arata) feel rather uncomfortable with. Indeed, this upward trajectory in non-audit services is corroborated by official data released by the CICPA. In their 'Report on the Accounting Profession in China' in 2015, the CICPA note that the percentage of revenues that Big 4 firms derive from non-audit services was 18% in 2009, but 30% in 2015. Interestingly, growth in non-audit services is actively encouraged by the CICPA as a way of diversifying revenue streams, thereby producing what the CICPA see as a more sustainable business model for large accounting firms.

Overall, it was very clear from our Chinese interviews that accumulating economic capital was the main function of partners there and that exercising commercial capital – in the form of business development skills - was the way in which to achieve that. In this respect, although economic capital is the clear end game, it is really commercial capital that is the most highly prized resource in the Chinese Big 4 and that therefore constitutes symbolic capital in that milieu. However, as with the

Japanese pursuit of honour, the successful accumulation of commercial capital is also predicated on the complicated and skilful (Fligstein 2013) accumulation and conversion of other forms of capital. It is to these processes that we now turn.

China: the 'rules of the game'

> We only care about the results, whether you perform or not and how well (C11)

The above quote is from an HR manager and exemplifies her firm's clear focus on commercial capital, although this is not to suggest that its exercise or accumulation is straightforward. For example, we were told that being able to grow the business and bring in more revenue required excellent communication skills and people who had personality rather than merely technical ability. Indeed, networking through informal personal connections (*guanxi*) remains important and prevalent in business practices in China (Luo 2000). These were the same skills that we were told were necessary in order to generate the external social capital that is, crucially, a pre-requisite for growing fee income. Specifically, whilst there was consensus among interviewees on the importance of trust building with existing clients, particular emphasis was given to the ability of individuals to build as wide a personal network as possible in order to win new business. This was revealed in the following conversation:

> - What type of people make partner?
>
> - Well, those who do marketing… those who like marketing, sales, having wide connections. They like to 'dig into' their existing connections. They utilise their college mates, former colleagues, colleagues' colleagues, everyone they know to make new friends, to grow their networks…Not everyone enjoys this, socializing, making friends and meeting new people all day and all night, but partners are those who enjoy this. Some people struggle to make connections with ten people, but partners can meet with 100 people (C10)

This networking also extends into the State apparatus. One clear contrast between China and 'the West' vis-à-vis the accounting profession concerns State clientelism. This is reflected in the necessity for accounting firms to accumulate a particular form of external social capital associated with the State, especially with governmental officials and decision-makers in state owned enterprises (SOEs).

In comparison to the largely laissez-faire history of the Anglo-American professions, the Chinese State not only directly gave birth to the accounting profession, but also constantly intervenes in the accounting field through, for example, permitting market entry and providing policy support (Gillis 2014). In particular, '*guanxi'* was mentioned a lot in this context as a means of circumventing formal processes and regulations (Luo 2000; Xin and Pearce 1996). More than one interviewee explained that the existence of many 'grey areas' in the formal regulatory system in China had made *guanxi* with government officials crucial in order to get things approved and expedited. This is consistent with Michelson's (2007) observation of Chinese lawyers who rely on political connections with the State in tackling everyday difficulties, or with Peck and Zhang (2013) who go as far to describe China's socio-economic system as "guanxi capitalism" (p.382). Indeed, willingness and ability to establish connections with government officials such as those in the Tax Bureau and the Ministry of Finance were expected from an early stage of one's career:

> To give you an example, we sometimes have certain documents suspended in the Tax Bureau and they [people in the Tax Bureau] don't bother to explain anything to us. In such circumstances, you can wait or you can try to solve the problem…You can call your connections in the Tax Bureau and ask them to help you to find out what is going wrong… well, these connections don't come over night; you cultivate them throughout, for example during every of one your visits to the [Tax Bureau]. You know, you prepare for it, you get to know more people and it's easier when you have problems. [C9]

The above quote is interesting because it is indicative of how open participants were about the need to cultivate strong, long-term relationships with government officials. Beyond government officials, the importance of *guanxi* with SOEs was not lost on the Big 4, who accord it increasing attention. Historically, the Big 4 grew their business in China mainly with MNE clients, although as SOEs have now grown in size and are increasingly listed on overseas stock exchanges, they now 'represent the future direction of market growth' (C31) for the Big 4 in China. However, this should be tempered by the views - shared by a number of interviewees - that the Big 4 lacked good *guanxi* with the SOEs, unlike local accounting firms, many of whom were initially established by the Ministry of Finance. The Big 4 in China are trying to overcome this limitation by establishing departments to specialise in relationship building with SOEs and government ministries and, more directly, via buying in *guanxi* (converting economic capital into social capital) by hiring ex-government officials, sometimes as partners, who have good connections in the SOE sector. Former state cadres defecting into the private sphere are seen as 'brokers' who convert political privilege into economic wealth, exploiting opportunities in the 'symbiotic exchange' between market and State (Liu 2011). Although it is too early to tell how successful these strategies will be for the Big 4, it is clear that external social capital plays a direct role in bringing in economic capital.

Internal social capital is also important in China but mainly in a way that serves the purpose of income generation. Many interviewees said they were given business opportunities by their mentors or colleagues. Unlike in Japan, where employees enter into a rigid master/apprentice relationship that demanded many years of loyalty in exchange for the vague but unguaranteed hope of eventually taking the master's place once he/she retired, we were told by more than one interviewee in China that it was much more important to perform well than to build long-term relationships with senior organizational members. For example, one interviewee explained that the high turnover among even senior staff meant that it was often worthless to seek long-term relationships:

> I used to work for two managers, Director S and Manager M. Director S was experienced and in charge of annual appraisal of our department. Therefore, lots of my colleagues paid particular attention to the work assigned by Director S while just 'completing' the work by Manager M. However, Director S left a couple of years later and Manager M was promoted. Those colleagues then found themselves in an awkward position… I mean, it is tiring and pointless to spend time doing this. It often brings in negative effects. It is more useful and valuable to get things done and let your performance speak for itself. (C9)

Thus, whereas in Japan internal social capital is accumulated via a linear process of loyalty, dedication and (often) simply growing older, in China these explanations give way to a more naked ability to accumulate and exercise commercial capital.

In terms of institutionalized cultural capital, CPA qualifications are not required at the recruitment phase in China, nor were they a pre-requisite for partnership admission until very recently[9]. We were told by a number of interviewees that one could be promoted to partner without a CPA qualification as long as he/she brought in clients and revenue. To the partners in the Big 4, the

---

[9] It was not until 2012 that CPA qualification became the pre-requisite for partners in the Big 4 in China. This is regulated by the Chinese government in an Act, known as the *'Notice on Issuing the Scheme on the localized restructuring of Sino-Foreign cooperative accounting firms'*, in which all partners are required to hold a CPA qualification.

CPA qualification is, while important and increasingly a means of making the business more 'Chinese', in many senses a perfunctory form of capital.

In summary, senior members of the Big 4 in China need to possess excellent relationship skills and the ability to nurture *guanxi* connections. Once they have established trust with MNEs, SOEs and government departments, they are then in a position to exercise their commercial capital by providing additional services to their clients, which in turn leads to the accumulation of economic capital for their firms and themselves.

Discussion and Conclusion

This study has sought to answer three principal research questions. Firstly, it was asked: what constitutes symbolic capital in the Big 4 in both China and Japan? Answering this question demands an understanding of what it means to be a partner, by extension, identifying that form of capital which crowns all others (Harvey and Maclean 2008) in each context. In other words, not all forms of capital are equal and those identified above tend to underpin one form of capital in particular and also a specific form of habitus in each context. In Japan, our results suggest that symbolic capital constitutes a set of dispositions that privilege *ongaeshi* (repayment) and *giri* (duty). Interestingly, and here we have to move beyond Bourdieu, these signifiers connote a set of moral boundaries or criteria (Lamont 1992) much more readily than they do a particular form of capital. Bourdieu's notion of habitus, however, remains crucially important and helps to explain the essentially honorific set of dispositions that Japanese partners embody. In contrast, in China the partners and other senior members of PSFs interviewed there embodied a much more commercially focused set of dispositions, constituting what we denote here an entrepreneurial habitus. Although underpinned by various forms of capital, this habitus is readily synonymous with the behaviours required in order to accumulate and exercise commercial capital. Commercial capital clearly crowns all other forms of capital in the Chinese context.

Our second research question explored whether different forms of capital were accorded different values by GPSFs in different Asian countries? We show here that different forms of capital are accorded different values in Japan than they are in China. In Japan, actors in PSFs have an uncomfortable relationship to economic capital, unlike in China where economic capital is glorified as an end in itself. Social capital is also differentially valued and accumulated by successful organizational actors: in Japan, good relationships with colleagues and *oyabun/kobun* patronage systems imply that internal social capital is of paramount importance; in China, in contrast, the greater emphasis on individual performance measurement means that external social capital in the form of productive relationships beyond the firm (with clients and government officials) is more privileged, in many instances, than internal harmony. Technical capital was regularly discussed and extolled in Japan and, although this is surely important to firms in China, was evoked much less in comparison to commercial capital, as was evidenced by the widespread concern with the cultivation of business development skills in the Chinese context. In Japan, we also identified chronological capital as a key means of distinguishing oneself from one's peers. Again, in China, time served and hours clocked are also important, but the greater degree to which individuals change jobs there suggests that pursuit of a successful career is predicated more on commercial capacity than it is on knowing one's place within organizational succession plans. The contrasting values accorded to these forms of capital are summarised in table 6. Overall, table 6 clearly shows that there are stark differences between the two countries studied in terms of what types of behaviour and resources need to be adopted and accumulated by PSF actors who ascend to the heights of their organizations.

[table 6 about here]

Our third research question posed was: what are the historical and contextual factors that explain why certain forms of capital are more highly valued than others in the Chinese and Japanese PSF fields? In order to explore this question, consideration was given to the emergence and subsequent development of the Big 4 field in either country. Interestingly, the Big 4 entered both China and Japan at roughly the same time point in the early 1990s. However, in Japan, the Big 4 built up their business through a series of mergers with already well established Japanese firms and, as such, have maintained a Japanese identity throughout, one manifestation of which is the absence of a large non-audit services market. These field level dynamics in many ways explain why the habitus identified among Japanese partners was a very Japanese one - with Japanese participants routinely outlining the appropriate way of doing things in contradistinction to 'the West', the United States in particular. In contrast, the Big 4 developed their business in China from a more or less *terra nullis* situation, driven by the strategies of partners flown in from Hong Kong and various Western countries. That the habitus encountered among senior members of PSFs in China was much more entrepreneurial and consistent with the habitus of Big 4 partners in Western countries appears to be explicable by reference to the large degree to which the Big 4 in China looked to the West for guidance on how to develop its business models in the 1990s. This coincided with China's economic and social reforms of the time, which embraced 'Western' and 'global' influences. However, this is not to suggest that the Big 4 in China adopt Western templates wholesale. As we have shown, the Chinese State remains an important gatekeeper, exercising a monopoly over the channelling of global norms and institutions into the Chinese accounting field. The effective 'Westernization' of the Big 4 in China needs to be understood as a conscious decision by the State, a means to quickly institutionalize an accounting profession in order attract foreign investors. So 'Westernization' exists only insofar as it suits the interests of the Chinese State. Furthermore, the ingrained nature of State clientelism in China has pushed, and will continue to push, the Big 4 to 'localise' their practices in order to accumulate the highly valuable social capital that is associated with the State.

These findings permit us to make a number of conceptual contributions to literature on GPSFs. Firstly, by advancing the view of accounting as a 'field' rather than a 'profession', we offer a way out of enchantment by the research object, a way to "wrench scientific reason from practical reason, to prevent the latter from contaminating the former" (Bourdieu and Wacquant 1992, p.247). By extension, this has implications for our conceptual understanding of PSFs which has long been caught up in the dualistic logics of commercialism and professionalism. The perspective advanced here effectively replaces a view of 'commercialism and professionalism as discrete logics' with a 'logic of discrete commercialisms and professionalisms'. The separation of professionalism from commercialism enacted by the institutional logics perspective is problematic, especially as the former tends to be lionised in overly sentimental terms. We suggest here that it is conceptually more fruitful to leave the terms 'professional' and 'professionalism' open, more akin to floating signifiers (Laclau 2005) than pre-fabricated logics. A 'professionalism as symbolic capital' perspective permits such a de-essentialized understanding (see also Mueller and Carter 2007). Following this line of thinking, we can also contemplate the possibility of professionalism at times becoming completely equated with commercialism, something that a strict institutional logics perspective precludes. In practical terms, this also suggests a need to understand the strategies of 'high status occupational groups' rather than 'professionals'. At the very least, researchers should think twice before imposing the latter label onto the former.

Secondly, that signifiers such as 'professionalism' and 'commercialism' have context specific meanings is suggestive of the need for a new framework for understanding PSFs in comparative perspective. The identification of different forms of capital, the local varieties that these forms take, and the local values accorded to them, represents a potentially fruitful way for identifying the ways in which global firms adapt, or not, to local contexts. In the present study, we have shown that the capitals framework can be productively adapted to different geographical contexts in ways that avoid universalizing particular cases. As regards commercialism, we do not argue that this is absent from Japan - auditing is, after all, a business (Power 2003). Rather, commercial practices just take a different form from those practices in China or in the West. Not having an overt focus on the accumulation on economic capital is, for cultural reasons, possibly the most astute way of ensuring economic vitality in the Japanese context. In other words, the accumulation of symbolic resources associated with an honorific habitus is what makes the accumulation of economic resources possible. There is little to suggest that this will change in the future, i.e. that a more explicit focus on revenue generation and business development will inevitably displace more traditional concerns as it has been shown to in other countries. Indeed, that PwC Arata has now adopted a legal status similar to that of the other Big 3 suggests that their own focus on economic capital might well abate in the short to medium term. Suddaby et al. (2009) remark that, as firms grow in size, they become more interested in the pursuit of profit. Yet the smaller, more revenue hungry Arata is suggestive of a countervailing tendency in Japan whereby smaller firms have greater discretion to depart from established cultural norms around professional behaviour.

Thirdly, in addition to the importance of field and different forms of capital, we demonstrate the utility of habitus as a 'methodological tool' employed in comparative research (see also Spence et al, 2016). Within the habitus, or historically constituted dispositions, of individuals, the tension that plays out when global and local 'rules of the game' are juxtaposed (Mennicken 2008) can be observed and described. In Japan, the focus on *ongaeshi, giri* and being seen to be an honourable individual demonstrate the importance of traditional Japanese values and, by extension, the rather limited extent to which global firms have succeeded in instituting global ways of doing things. In contrast, in China, the more entrepreneurial habitus is reflective of a more active embrace of 'Western' norms and practices. In turn, this results from the more recent Chinese establishment of an accounting field, but also it reflects the greater consonance between Chinese ideals of personal enrichment and the main tenets of global neoliberal wealth accumulation. In both cases, habitus is shown to be a productive way of bringing the encounter between historical dispositions and contemporary imperatives to the fore. Paying attention to the way in which different forms of capital are accumulated within specific fields also goes some way towards illustrating this encounter, but more fine-grained attention to the embodied habitus of individuals adds a further dimension by drawing attention to those aspects of society which are deeply embedded within individuals, and those which are more susceptible to change.

References

Adams T.L. 2015. Sociology of the professions: international divergences and research directions. *Work, Employment and Society* **29**(1) 154–65.

Anderson-Gough F, C. Grey, K. Robson. 2000. In the name of the client: the service ethic in two professional service firms. *Human Relations* **53**(9) 1151–74.

Anderson-Gough, F., C. Grey, K. Robson. 2006. Professionals, networking and the networked professional. *Research in the Sociology of Organizations* **24** 231–56.

Barley, S. R. 1996. Technicians in the workplace: Ethnographic evidence for bringing work into organization studies. *Administrative Science Quarterly* **41**(3) 404-441

Barrett, M., D.J. Cooper, K. Jamal. 2005. Globalization and the coordinating of work in multinational audits. *Accounting, Organizations and Society* **30**(1) 1-24.

Bourdieu, P. 1979. *La distinction*. Paris: Les Editions de Minuit.

Bourdieu, P. 1980. *Le sens pratique*. Paris: Les Editions de Minuit.

Bourdieu, P. 1985. The social space and the genesis of groups. *Social Science Information* **24**(2) 195–

220.

Bourdieu, P. 1986. The forms of capital. In *Handbook of Theory and Research for the Sociology of Education*, ed. John G. Richardson, 241–28. New York: Greenwood.

Bourdieu, P. 1996. *The Rules of Art*. Cambridge: Polity Press.

Bourdieu, P., L.J.D. Wacquant. 1992. *An Invitation to Reflexive Sociology*. Cambridge: Polity Press.

Boussebaa M, G. Morgan, A. Sturdy. 2012. Constructing global firms? National, transnational and neocolonial effects in international management consultancies. *Organization Studies* **33**(4) 465–86.

Breznitz, D., & Murphree, M. 2011. *Run of the red queen: Government, innovation, globalization, and economic growth in China*. New Haven and London: Yale University Press.

Carnegie, G.D. and Napier, C.J. 2010. Traditional accountants and business professionals: portraying the accounting profession after Enron. *Accounting, Organizations and Society* **35**(3): 275-392

Carter, C and Spence, C. 2014. Being a Successful Professional: An Exploration of Who Makes Partner in the Big Four. *Contemporary Accounting Research* **31**(4): 949-981

CICPA. 2015. Report on the Accounting Profession in China, 2015, CICPA

Clark, P. A. 1985. A review of the theories of time and structure for organizational sociology. No. 6. *Work Organization Research Centre*, University of Aston, 1985.

Cooper, D. J., R. Greenwood, B. Hinings, Brown, J. L. 1998. Globalization and nationalism in a multinational accounting firm: The case of opening new markets in Eastern Europe. *Accounting, Organizations and Society* **23**(5/6) 531-548.

Cooper, D. J., K. Robson. 2006. Accounting, professions and regulation: Locating the sites of professionalization. *Accounting, Organizations and Society* **31**(4/5) 415-444.

Covaleski, M. A., M. W. Dirsmith, J. B. Heian, S. Samuel. 1998. The calculated and the disavowed: Techniques of discipline and struggles over identity in Big Six public accounting firms. *Administrative Science Quarterly* **43** 293–327.

Crump, R. 2015. Big Four owe public interest not to ditch audit, says KPMG chair. *Accountancy Age* 24th August

Czarniawska, B. 2001. Is it possible to be a constructionist consultant? *Management Learning* **32**(2) 253-266.

Das, T.K. 1993. Time in management and organizational studies. *Time and Society* **2**(2) 267-274

Dasgupta, R. 2000. Performing Masculinities? The 'Salaryman' at Work and Play. *Japanese Studies* **20**(2) 189-200.

De Beelde, U. 2002. Creating a profession 'out of nothing'? The case of the Belgian auditing profession. *Accounting, Organizations and Society* **27**(4-5) 447-470

Deng, S and Macve, R. (2015). The development of China's auditing profession: globalizing translation meets self-determination in identity construction. Available at SSRN:http://ssrn.com/abstract=2562226

Dezalay, Y. 1992. *Marchands de droit. La restructuration de l'ordre juridique international par les multinationales du droit*, Paris, Fayard.

Dezalay, Y, B.G. Garth, B.G. 2010. *Asian Legal Revivals: Lawyers in the Shadow of Empire*, The University of Chicago Press: Chicago.

Endo, T., R. Delbridge, J. Morris. 2015. Does Japan Still Matter? Past Tendencies and Future Opportunities in the Study of Japanese Firms. *International Journal of Management Reviews* **17**(1) 101-123

Ezzamel, M. and Xiao, J. Z. 2015. The development of accounting regulations for foreign invested firms in China: The role of Chinese characteristics. *Accounting Organizations and Society* **44** 60-84.

Ezzamel, M., Xiao, J. Z. and Pan, A. 2007. Political Ideology and Accounting Regulation in China. *Accounting Organizations and Society* **32**(7-8) 669-700

Faulconbridge, J., D. Muzio. 2012. Professions in a globalizing world: towards a transnational sociology of the professions. *International Sociology* **27**(1) 136–52.

Faulconbridge, J., D. Muzio. 2014. Transnational corporations shaping institutional change: the case of English law firms in Germany. *Journal of Economic Geography* **15**(6) 1195-1226.

Faulconbridge, J., D. Muzio, D. 2016. Global Professional Service Firms and the Challenge of Institutional Complexity: "Field Relocation" as a Response Strategy. *Journal of Management Studies* **53**(1) 89-124.

Fligstein, N. 2013. Understanding stability and change in fields. *Research in Organizational Behaviour* **33** 39-51.

Fligstein, N., D. McAdam. 2011. Towards a General Theory of Strategic Action Fields. *Sociological Theory* **29**(1) 1-26.

Fligstein, N., & Zhang, J. 2011. A new agenda for research on the trajectory of Chinese capitalism. Management and Organization Review **7**(1) 39–62.

Fukao, M. 2003. Japan's lost decade and its financial system. *The World Economy* **26**(3) 365-384.

Galanter, M., W. Henderson. 2008. The elastic tournament: A second transformation of the big law firm. *Stanford Law Review* **60**(6) 1867–930.

Gendron, Y. and Spira, L.F. 2010. Identity narratives under threat: a study of former members of Arthur Andersen, *Accounting, Organizations and Society* **35**(3) 275-300.

Gillis, P. 2014. *The Big Four and the Development of the Accounting Profession in China*, Emerald.

Granovetter, M. 2017. *Society and Economy: Framework and Principles*. The Belknap Press of Harvard University Press. Cambridge, US.

Greenwood, R and R. Suddaby. 2006. Institutional entrepreneurship in mature fields: The Big Five accounting firms. *Academy of Management Journal* **49** 27-48.

Greenwood, R., Suddaby, R. and Hinings, C.R. 2002. Theorizing change: the role of professional associations in the transformation of institutionalized fields. *Academy of Management Journal* **45**(1) 58-80.

Greenwood, R., S.X. Li., R. Prakash., D.L. Deephouse. 2005. Reputation, diversification and organizational explanations of performance in professional service firms. *Organization Science* **16**(6) 661-673.

Greenwood, R., T. Morris., S. Fairclough, S., M. Boussebaa, M. 2010. The organizational design of transnational professional service firms. *Organizational Dynamics* **39**(2) 173-183.

Halliday, T.C and Carruthers, B.G. 2009. *Bankrupt: Global lawmaking and systemic financial crisis*. Stanford University Press.

Hall PA and Soskice D (2001) *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. New York, NY: Oxford University Press.

Hao, Z.P., 1999. Regulation and organisation of accountants in China. *Accounting, Auditing & Accountability Journal*, **12**(3) 286–302.

Harvey C and Maclean M (2008) Capital theory and the dynamics of elite business networks in Britain and France. *The Sociological Review* **56**(1) 105–120.

Hendry, J. 2013. *Understanding Japanese Society*, 4th edition, Abingdon: Routledge.

Hoshi, T. 2002. The convoy system for insolvent banks: how it originally worked and why it failed in the 1990s. *Japan and the World Economy*, **14**(2) 155-180.

Hsu, C.L., 2007. *Creating Market Socialism: How Ordinary People are Shaping Class and Status in China*, Durham and London: Duke University Press.

Jarzabkowski, P., R. Bednarek., L. Cabantous. 2015. Conducting global team-based ethnography: Methodological challenges and practical methods. *Human Relations* **68**(1) 3-33.

Johnson T. 1973. Imperialism and the professions. In: Halmos P (ed.) *Professionalisation and Social Change*. *The Sociological Review Monograph 20* Keele: Keele University, 281–309.

Karube, M., & Fukukawa, H. 2013. Integrating personal expertise: A history of Japanese audit firms, 1965-2010. *(Working Paper No. 13-07), Institute of Innovation Research, Hitotsubashi University*.

Klutz, D and Fligstein, N. 2016. Varieties of Sociological Field Theory, in Abrutyn, S (ed), *Handbook of Contemporary Sociology.* Springer Publishing.

Knight, N. 2006, Reflecting on the Paradox of Globalisation: China's Search for Cultural Identity and Coherence, *China: An International Journal* **4** 1–31

Kornberger, M., Justesen, L. and Mouritsen, J. 2011. 'When you make manager, we put a big mountain in front of you': an ethnography of managers in a Big 4 accounting firm, *Accounting, Organizations and Society* **36**(8) 514-533.

Laclau, E. (2005. *On Populist Reason*, Verso, London.

Lam, A. 2000. Tacit knowledge, organizational learning and societal institutions: An integrated framework. *Organization Studies* **21(**3) 487-513.

Lamont, M. 1992. *Money, Morals, and Manners: The Culture of the French and the American Upper Middle Class*, Chicago: University of Chicago Press.

Lamont, M. 2012. How has Bourdieu been good to think with? The case of the United States. *Sociological Forum* **27**(1) 228-237.

Lander, M.W., Heugens, P.M.A.R and J van Oosterhout. 2017. Drift or alignment? A configurational analysis of law firms' ability to combine profitability with professionalism, *Journal of Professions and Organization*

Lane, C. 1989. *Management and labour in Europe*, Aldershot: Edward Elgar.

Lawrence, T.B., Suddaby, R, Leca, B. 2009. *Institutional work: actors and agency in institutional studies of organization*. Cambridge: Cambridge University Press.

Li, P.P and Redding, G. 2014. Social Capital in Asia: Its Dual Nature and Function, in Witt, M.A and Redding, G (eds), *The Oxford Handbook of Asian Business Systems*, Oxford University Press 513-537.

Liu, S. 2011. Lawyers, State Officials and Significant others: Symbiotic Exchange in the Chinese Legal Services Market, *The China Quarterly* **206** 276-293

Lockett, M. 1988. Culture and the problems of Chinese management. *Organization Studies* **9**(4) 475-496.

Loxton, L. 2015. How the Big Four have returned to consulting with a bang, *Accountancy Age,* 27th September.

Luo, Y. 2000. *Guanxi and Business*. Singapore: World Scientific Publishing.

Lupu, I., L. Empson. 2015. Illusio and overwork: playing the game in the accounting field. *Accounting, Auditing and Accountability Journal* **28**(8) 1310-1340.

Malsch, B. and Gendron, Y. 2013. Re-theorizing change: institutional experimentation and the struggle for domination in the field of public accounting, *Journal of Management Studies*, **5** 871-899.

Matsubara, S. and Endo T. 2016. The role of local accounting standard setters in institutional complexity: 'Explosion' of local standards in Japan. *Accounting, Auditing & Accountability Journal*, doi: 10.1108/AAAJ-01-2016-2375

Matsubara, S. and Endo T. (forthcoming) *The change and continuity of accounting professionals in Japan: Interpretive policy analysis perspective.* In T. Nakano (ed.). The Japanese Firm System in Evolution: New Directions, Breaks, and Emerging Practices. New York: Routledge.

Maurice, M., Sorge, A and Warner, M. 1980. Societal differences in organizing manufacturing units: A comparison of France, West Germany, and Great Britain. *Organization Studies* **1**(1) 59-86.

Mennicken, A. 2008. Connecting Worlds: The Translation of International Auditing Standards into Post-Soviet Audit Practice. *Accounting, Organizations and Society* **33**(4/5) 384-414

Michelson, E., 2007. Lawyers, Political Embeddedness, and Institutional Continuity in China's Transition from Socialism. *American Journal of Sociology* **113**(2) 352–414.

Miles, M. B., A. M. Huberman. 1994. *Qualitative Data Analysis, 2d ed*. Thousand Oaks, CA: Sage.

McKinnon, J.1994. The historical and social context of the introduction of double entry bookkeeping to Japan. *Accounting, Business & Financial History* **4**(1) 181-201.

Morris, T and N. Malhotra. 2009. Heterogeneity in Professional Organizations. *Journal of Management Studies* **46**(6) 895-922

Mueller, F and C. Carter. 2007. 'We are all managers now': Managerialism and professional engineering in UK electricity utilities. *Accounting, Organizations and Society* **32**(1/2) 181-195.

Murphy, J., and Zhu, J. 2012. Neo-colonialism in the academy? Anglo-American domination in management journals. *Organization* **19**(6) 915-927.

Muzio, D., J. Faulconbridge. 2013. The global professional service firm: 'One Firm' models versus (Italian) distant institutionalized practices. *Organization Studies* **34**(7) 897–925.

Nee, V. 2005. Organizational dynamics of institutional change: politicized capitalism in China. In V. Nee & R. Swedberg (Eds.), *The Economic Sociology of Capitalism*. Princeton: Princeton University Press.

Noda, Y. 1976. *Introduction to Japanese Law*. Tokyo: University of Tokyo Press.

Patton, M. Q. 2002. *Qualitative research & evaluation methods*. 3rd. London: Sage Publications.

Peck, J and Zhang, J. 2013. A variety of capitalism… with Chinese characteristics? *Journal of Economic Geography* **13**(3) 357-396.

Picard, C.-F., Durocher, S. , & Gendron,Y. 2014. From meticulous professionals to superheroes of the business world: a historical portrait of a cultural change in the field of accountancy. *Accounting, Auditing and Accountability Journal* **27**(1) 73-118.

Power, M.K. 2003. Auditing and the production of legitimacy. *Accounting, Organizations and Society* **28** 379-394.

Ruiz Castro, M. 2012. Time Demands and Gender Roles: The Case of a Big Four Firm in Mexico. *Gender, Work & Organization* **19**(5) 532-554.

Schinkel, W., M. Noordegraaf. 2011. Professionalism as symbolic capital: materials for a Bourdieusian theory of professionalism. *Comparative Sociology* **10**(1) 67–96.

Smets, M., T. Morris., R. Greenwood, R. 2012. From Practice to Field: A Multi-level Model of Practice-driven Institutional Change. *Academy of Management Journal* **55**(4) 877-904.

Spence, C and Brivot, M. 2011. 'No French, no more': Language-based exclusion in North America's first professional accounting order, 1879-1927, *Accounting History Review* **22**(2) 163-184

Spence, C and Carter, C. 2014. An exploration of the professional habitus in Big 4 accounting firms, *Work, Employment and Society* **28**(6) 946–962

Spence, C., C. Dambrin., C. Carter., P. Archel., J. Husillos. 2015. Global Ends, Local Means: cross-national homogeneity in professional service firms. *Human Relations* **68**(5) 765-788.

Spence, C., Carter, C., Belal, A., Husillos, J., Dambrin, C and Archel, P. 2016. Tracking habitus across a transnational professional field, *Work, Employment and Society* **30**(1) 3-20

Suddaby, R., D.J. Cooper., R. Greenwood. 2007. Transnational regulation of professional services: governance dynamics or field level organizational change. *Accounting, Organizations and Society* **32**(4/5) 333–62.

Suddaby, R., Gendron, Y. and Lam, H. 2009. The organizational context of professionalism in accounting, *Accounting, Organizations and Society* **34**(3/4) 409-427.

Sweeney, B. and McGarry, C. 2011. Commercial and professional audit goals: inculcation of audit seniors, *International Journal of Auditing* **15**(3) 316-332.

Tsunogaya, N. 2016. Issues affecting decisions on mandatory adoption of International Financial Reporting Standards (IFRS) in Japan. *Accounting, Auditing & Accountability Journal*, **29**(5).

Walker. S.P. 2004. The Genesis of Professional Organsation in English Accountancy. *Accounting, Organizations and Society* **29**(2) 127-156.

Warner, M. & Goodall, K., 2009. *Management Training and Developmet in China: Educating Managers in a Globalized Economy*, Abingdon: Routledge

Whyte, M. K. 2009 Paradoxes of China's economic boom. *Annual Review of Sociology* **35** 371–392.

Whiting, R. 2014. *The Chrysanthemum and the Bat: The Game Japanese Play*, kindle edition, Sataima-ken: Japanime

Whitley, R. 2014. Change and Continuity in East Asian Business Systems, in Witt, M.A and Redding, G (eds), *The Oxford Handbook of Asian Business Systems*, Oxford University Press 633-666.

Witt, M.A., G. Redding. 2013. Asian business systems: institutional comparison, clusters and implications for varieties of capitalism and business systems theory. *Socio-Economic Review* **11**(2) 265–300.

Witt, M.A., G. Redding. 2014a. China: Authoritarian Capitalism, in Witt, M.A and Redding, G (eds), *The Oxford Handbook of Asian Business Systems*, Oxford University Press 11-32.

Witt, M.A., G. Redding. 2014b. Asian Business Systems: Implications and Perspectives for Comparative Business Systems and Varieties of Capitalism Research, in Witt, M.A and Redding, G (eds), *The Oxford Handbook of Asian Business Systems*, Oxford University Press 667-697.

Wyatt, A.R. 2004. Accounting professionalism - they just don't get it! *Accounting Horizons* **18**(1) 45-53.

Xiao, Z., A.S. Tsui, A.S. 2007. When Brokers May Not Work: The Cultural Contingency of Social Capital in Chinese High-tech Firms. *Administrative Science Quarterly* **52**(1) 1-31.

Xin, K. K., and J L. Pearce. 1996. Guanxi: Connections as substitutes for formal institutional support, *Academy of management journal* **39**(6) 1641-1658.

Yee, H., 2012. Analyzing the state-accounting profession dynamic: Some insights from the professionalization experience in China. *Accounting, Organizations and Society* **37**(6) 426–444.

Yin, R.K. 2009. *Case study research: design and method*. Sage Publications.

Yoshikawa, T., L.S. Tsui-Auch., J. McGuire. 2007. Corporate Governance Reform as Institutional Innovation: The Case of Japan. *Organization Science* **18**(6) 973-988.

Zambon, S. 1996. Accounting and business economics traditions: a missing European connection? *European Accounting Review* **5**(3) 401-411.

Zhang, M., Su, J., Sun, Y., Zhang, W., & Shen, N. 2015. Political Connections and Corporate Diversification: An Exploration of Chinese Firms. *Emerging Markets Finance and Trade* **51**(1) 234–246.

Zhang, J., Peck, J. 2016. Variegated Capitalism, Chinese Style: Regional Models, Multi-scalar Constructions. *Regional Studies* **50**(1) 52-78

Table 1: Extant Literature's Juxtaposition of the 'Professional' with the 'Commercial'

Study	Juxtaposition of the 'commercial' with the 'professional'
Covaleski et al (1998)	Transformation of partner identities "from being professionals to businesspeople" (p.1998)
Kornberger et al (2011)	Career success in a Big 4 firm is predicated on transforming oneself into an "entrepreneurially minded agent" (p.154)
Anderson-Gough et al (2000)	Dominant discourse of 'client as king' leaves little room for consideration of independence or public service
Picard et al (2014)	Image of accountant has shifted from that of 'meticulous professional' to 'superhero of the business world' over time
Wyatt (2004)	Transition from "a central emphasis on delivering professional services in a professional manner to an emphasis on growing revenues and profitability" (49)
Gendron and Spira (2010) and Carnegie and Napier (2010)	Heightened emphasis on revenue generation responsible for the demise of Arthur Andersen and audit failure at Enron.
Sweeney and McGarry (2011)	Roots of commercialism can be traced back to the 1960s
Suddaby et al (2009)	The erosion of professional ethics in accounting firms is most pronounced in the Big 4
Smets et al (2012)	Increasing displacement of professional by commercial concerns in German law firms
Muzio et al (2013)	The embedding of Anglo-Saxon commercial norms into Italian law firms – a clash of different professionalisms
Greenwood and Suddaby (2006)	Replacement of "professional services as a craft" with "professional services as a business" (p.36)
Cooper and Robson (2006)	The dominance of cross-selling and client service over public interest concerns
Malsch and Gendron (2013)	Professional logics hybridize with, but are ultimately dominated by, commercial logics

Table 2: Species of Capital identified as valuable for Big 4 partners in Western contexts

Species of Capital	Manifested in	Value Accorded at high levels
Economic	**Pursuit of Profit Per Partner**	**High: Raison d'etre of firms**
Institutionalized Cultural Capital	**Professional and Educational Credentials**	**Varies according to country, but generally not educationally elitist**
Embodied Cultural Capital	**Technical capital (expertise) and commercial capital (business development skills)**	**Technical (low/negative); Commercial (high)**
Social Capital	**Client relationships and internal reputation**	**High in both cases**
Symbolic Capital	**Commercial Capital**	**Of paramount importance in all countries**

Table 3: Breakdown of interviewees by country and position

Country	Total Interviewees	Partners/Directors	Senior Managers/Managers/ Associates	Other (Juniors/HR/Non-Big 4)
Japan	**34**	30	4	0
China	**31**	13	10	8
Totals	**65**	**43**	**14**	**8**

Table 4: Revenue of Big 4 Japan 2005-2014

	Shin-nihon(EY)	Azusa (KPMG)	Tohmatsu (Deloitte)	Arata(PwC)	Chuo-Aoyama (-06)/Misuzu(06-07)
2005	49.4	46.1	53.2	N/A	52.4
2006	56	48.5	57.5	N/A(established in 2006)	54.2
2007	65.9	55.3	64.4	8.6	N/A
2008	98.8	64.7	81	22.7	
2009	104.3	87.2	86.3	24.1	
2010	98.4	85.3	80.1	N/A	

2011	95.9	88	81.6	N/A	
2012	92.9	82.8	82.4	27.1	
2013	96.4	80	83.8	27.1	
2014	99.1	80.7	86.5	27.6	

Source: Annual report, *Nikkei Shimbun* Newspaper (JPY in billions)

Table 5: Big 4 Revenue in China 2002-2014

Year	PwC	Deloitte	E&Y	KPMG	Total	Growth
2002	766	292	246	334	1,638	
2003	902	376	329	431	2,038	24%
2004	1,247	658	628	716	3,249	59%
2005	1,803	908	972	915	4,598	42%
2006	2,038	1,286	1,598	1,237	6,159	34%
2007	2,625	2,124	2,316	1,945	9,010	46%
2008	2,755	2,499	2,700	2,435	10,389	15%
2009	2,578	2,370	1,961	2,221	9,130	-12%
2010	2,961	2,600	2,094	1,862	9,517	4%
2011	2,956	2,928	2,277	1,928	10,089	6%
2012	3,266	3,045	2,236	2,136	10,683	6%
2013	3,351	2,881	2,364	2,347	10,943	2%
2014	3,713	3,131	2,833	2,351	12,028	10%

Source: CICPA (RMB in millions)

Table 6: Species of Capital identified as valuable for Big 4 partners in Japan and China

Species of Capital	Value Accorded in Japan and form taken	Value Accorded in China and form taken
Economic	**Means of ensuring firm survival but stable revenues valued over growth; open pursuit of personal material gain seen as shameful**	**Raison d’etre of firms; main partner motivation**
Institutionalized Cultural Capital	**Good university degree and difficult CPA exam entry requirements**	**Good university degree entry requirement; difficult CPA exam pursued during early years; CPA credential means of ensuring majority of Chinese partners going forward**
Embodied Cultural Capital	**Technical capital; moral dispositions; chronological capital all very important**	**Commercial capital (business development) most important;**
Social Capital	**Internal relationships most valued; master/apprentice**	**External, economically valuable relationships most important**
Symbolic	**Duty and**	**Commercial**

Capital	obligation/honorific habitus	capital/entrepreneurial habitus

Figure 1: CPA Pass rate in Japan 1995-2015

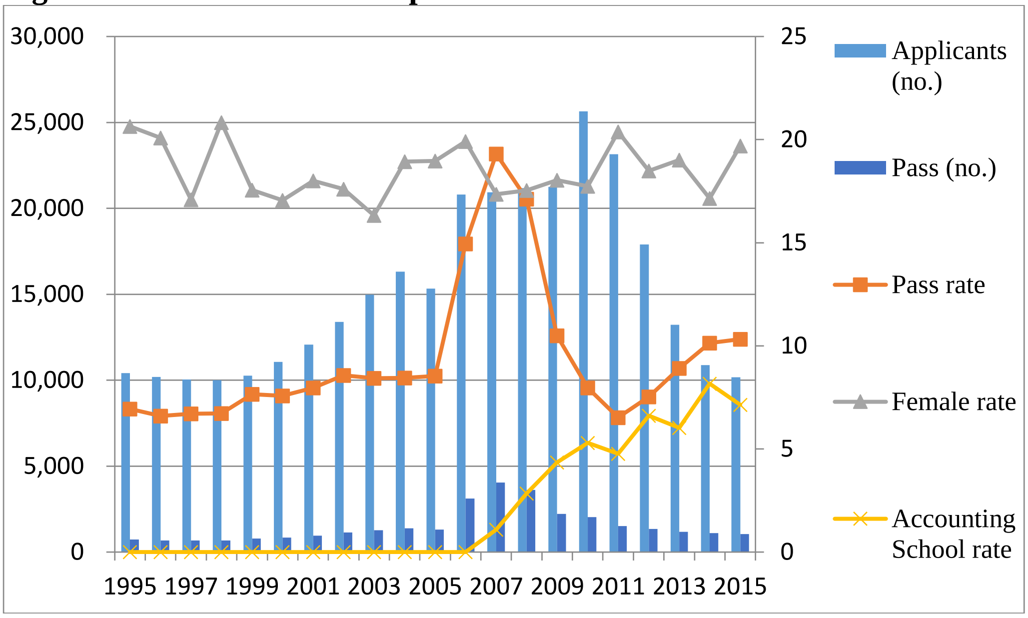

Figure 1 Number (left axis, number) and profile (right, per cent) of applicants that passed CPA exam
Source: FSA's website

Figure 2 Percentage of audit fees for Big 3 firms in Japan. NB: Until recently, it was not legally mandatory for Arata (PwC) to disclose sales related information and thus the figure embraces Tohmatsu (Deloitte), Azusa (KPMG) and ShinNihon (EY).

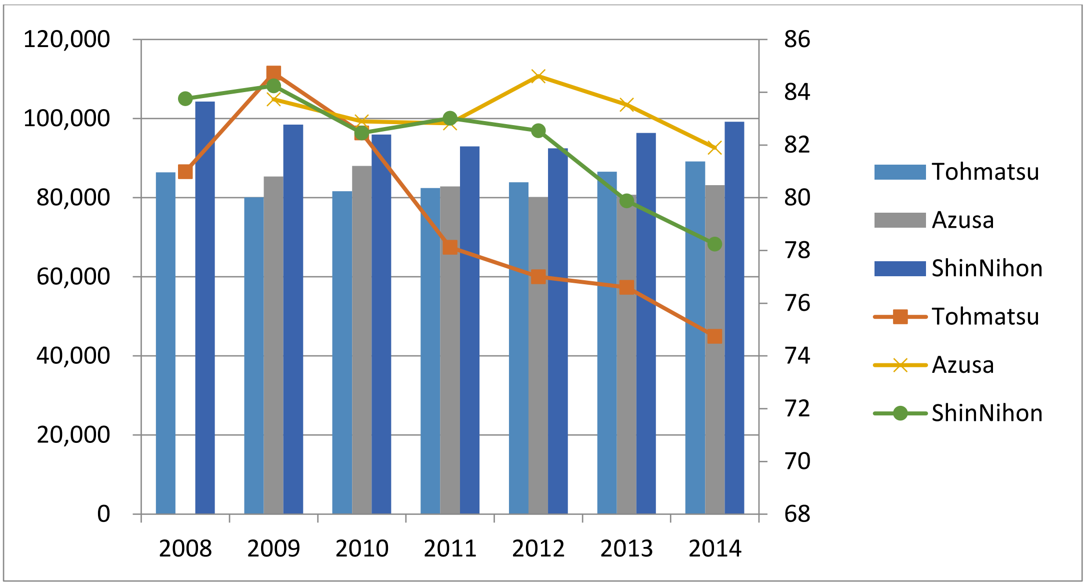

Figure 2 Sales (left axis, million JPY) and Audit percentage (right, per cent) of largest accounting firms in Japan
Source: Annual Reports (2009-2015) (Tohmatsu, Azusa, ShinNihon)